

**State of California  
California High Speed Rail Authority**

**Request for Proposal Notice  
Financial Consulting Services**

**Number HSR10-01**

**Special Note:** Address all questions concerning this Request for Proposal (RFP) in writing (letter, fax or e-mail) to the attention of Vickie Janek at [vjanek@hsr.ca.gov](mailto:vjanek@hsr.ca.gov) or by fax (916) 322-0827.

All questions or communications related to this RFP shall be addressed to Ms. Janek, **AND NOT TO** Authority members or other staff.

The integrity of the selection process is of the utmost importance to the Authority. Failure to comply with the stated process will most likely result in disqualification.

**I. GENERAL INFORMATION**

- A. The State of California, California High-Speed Rail Authority (Authority) is requesting proposals from qualified firms that may lead to the award of a contract for Financial Consulting Services.
- B. As the California High-Speed Rail Project (Project) is moving into a new phase and as Federal Funding (ARRA funding) has become a new variable to the previously envisaged project funding, the Authority has decided to invite Financial Advisors to bid for their services based on the new requirements of the Project.
- C. The estimated contract amount is \$2,500,000.00. The initial phase of work is estimated at \$750,000.00, the remaining budget will be held for future work, modifications to the financial model based on changes in funding, and financial advice.
- D. The estimated contract term is September 15, 2010 –June 30, 2013.
- E. The selection process will be based on the evaluation of the written and oral proposals (See Section VII. Contractor/Team Selection).

**Key RFP Dates:**

7/8/10	Draft Invitation for RFP published on Authority website
7/8/10	Authority board ratifies and authorizes the RFP
7/9/10	Final RFP advertised and released on the State Contract Register and issued to prospective respondents.
7/20/10	Written Question Submittal due by 4:00 PM

08/2/10	Proposal's due to Authority office by 3:00 PM
Week of 8/16	Oral interviews in Sacramento, CA
08/25/10	Participants notified of the results of the selection process
9/2/10	The Authority's board will review staff's recommendation
9/2/10	The applicant must be available to make a presentation to the Authority's Board.

## **II. INTRODUCTION**

This Request for Proposal (RFP) solicits CONTRACTOR/TEAM proposals to provide Financial Consulting Service for the California High Speed Rail Authority (Authority) to identify, model, and implement innovative financing alternatives.

## **III. BACKGROUND**

Implementing a high-speed train network in California is the sole and exclusive responsibility of the California High-Speed Rail Authority (Authority) established by Chapter 796 of the Statutes of 1996 (SB 1420/Kopp and Costa). The Authority is responsible for preparing a plan, conducting environmental studies, design, construction and operation of a high-speed passenger train network in California.

The Authority, in cooperation with the Federal Railroad Administration (FRA), has completed and certified a program level environmental document for a high-speed train (HST) network over 800 miles long which connects the major metropolitan areas of the state (see Figure 1). The proposed HST system stretches from San Francisco and Sacramento in the north --the Central Valley with service throughout -- to Los Angeles and Anaheim, and serving San Diego via the Inland Empire. With electrified, steel-wheel-on-steel rail trains operating at speeds up to 220 mph, the express travel time from downtown San Francisco to Los Angeles will be about 2 hours. 40 minutes. Intercity travelers (trips between metropolitan regions) along with longer-distance commuters would enjoy the benefits of a system designed to compliment and connect with existing passenger rail, air and highway systems. The system is forecast to carry up to 100 million passengers per year by 2035.

The High-Speed Train Alternative is the selected system alternative and was identified as the environmentally preferred alternative under the National Environmental Policy Act (NEPA) as well as the environmentally superior alternative under the California Environmental Quality Act (CEQA). To serve the same number of travelers that the high-speed train system is projected to carry by 2020, California would have to build nearly 3,000 lane-miles of freeway, plus five new airport runways and 90 departure gates at a cost two to three times more than high-speed train proposal. The report concluded that high-speed trains can decrease the state's dependency on foreign oil, reduce energy consumption, decrease air pollutants, and discourage sprawl while having less impact on the natural environment than expanding highways and airports.

The Authority is moving forward to complete Phase 1 (San Francisco to Anaheim) of the HST system and place in operation by 2020. It is recognized by the general public and the State leadership that the scale of this project requires a large component of public financing, both State and Federal, but it is also the objective of the program to leverage private investment wherever possible and maximize the opportunities for public/private partnerships (PPP's).

Figure 1



Since 2006/07 the State of California has provided over \$200 million to the Authority to initiate and advance the project implementation. Work included the development of initial financing plans, preliminary engineering design and project environmental work, and identification of critical right-of-way acquisitions. In November 2008 California State Bond funding for the project to the value of \$9.95 billion was approved through the passage of Proposition 1A. In February 2010 the project received an ARRA (American Recovery and Reinvestment Act) allocation of \$2.25 billion from the Federal Government which is administered through the Federal Railroad Administration (FRA). The Authority has estimated \$464.3 million will be needed to continue to move the HST system forward in the next (2010-11) fiscal year with the expectation that construction will begin construction in 2012.

Construction of the HST in California is estimated to cost \$43 billion at the time of build. This would make the system one of the largest public works undertakings in the history of California, and would likely be the largest project in the nation at the time of its construction. A robust portfolio of potential construction funding sources is necessary to meet these significant funding requirements. A financial model needs to be developed taking into account the most current funding and credit enhancement opportunities. The impact of revised ridership forecasts, markets served, alternative assumptions regarding project phasing, the potential for high speed freight service, as well as innovative approaches to right-of-way optimization will require further financial analysis.

The Authority's Implementation Plan asserts that the design-build or design-build-operate relationship with a private partner would be the most appropriate approach for the large civil works construction contracts, the project delivery model will need to be further defined to a certain extent in support of the financing plan and to gain public confidence in the project.

The implementation of a statewide HST system is a significant undertaking that requires expert consultant assistance to serve as advisors, managers and extensions to Authority staff. The complexity of the overall task suggests that the Authority would be best off with a team of experts in finance, institutional constraints and opportunities, constitutional or statutory restrictions and opportunities, and economic impact analysis.

The Authority board members together with the Chief Executive Officer will be responsible for making the critical decisions regarding the strategic financial planning of the project. Authority staff is responsible for recommending appropriate courses of action to the members. The role of the CONTRACTOR/TEAM is to provide objective information in order to assist the decision-making process.

***The Contractor/Team shall develop a work plan for approval by the Authority. All previously developed financial plan materials will be made available to the successful Contractor/Team. The work plan shall include proposed overall methodology, plan, schedule, proposed components and personnel, and dollar budgets for the various components. This proposal must have defined milestones and deliverables that provide objective measures of performance.***

#### **IV. SCOPE OF WORK**

The responsibility and activities of the financial advisor will be to assist the Authority in carrying out its work of planning, building and operating of a high-speed train network as outlined in the Business Plan of 2009. The tasks to be performed and the deliverables shall include, but are not limited to the following:

- Initial review and update of the existing financial plan incorporating all aspects of the present project status and financial market conditions based on the existing financial plan and models available.
- Periodic review and update of the financial plan to be incorporated in future business plans.

- Performing financial analysis and securing funding for specific segments of the high-speed train system.
- Preparing plans and documents for financial elements of future contracts.
- Seeking private financing for individual segments or contracts and assisting in the evaluation of financial elements of proposals.
- Developing a clearinghouse for receiving and updating proposals for private financing.
- Performing financial analysis of local, state and federal laws, proposed legislation and or regulations.
- Investigating and securing public and private sector funding sources at the at the local (county and city) level.
- Searching for innovative financing methods for potential private investors.
- Development and execution of a merit based and strictly objective evaluation of all future financial offers and contracts resulting in recommendation of best value to the Authority to be used for award of contracts.
- Assist with (and participate in) negotiations (with Federal, State and Local authorities, local and global vendors including rail operators and well as local and international financial institutions).

**By the end January 2011, a fully supported and robust financial plan must be available for the Authority to supply to the California Legislature.**

In the development of the Authority's financial strategy the Contractor/Team will need to include the following:

- *Conduct analyses to fully understand the implications of different alternatives for phasing the project construction.*
- *Thorough discussion and strategy for securing federal funding through, further ARRA appropriations, high-speed rail grant programs, and transportation program re-authorization.*
- *Explore the availability of Federal credit enhancement or lines of credit to help bridge any gaps between operating costs and revenue during the project start up period.*
- *Explore in depth the potential for high speed freight service as a means of enhancing operating revenues and generating broader support for the project.*

- *Fully investigate the potential for vendor financing support, and work with and seek the input of potential vendors in developing financing strategy.*
- *Evaluate project delivery models and provide a recommendation to the Authority as to which model is best suited to meet the financial, legal, institutional, procurement, and political challenges involved. Numerous institutional issues, as well as the details of the project delivery mechanism and the outcome of the technical studies will also bear on this task.*
- *Provide criteria for model agreements with local entities for station area development, benefit assessment districts and other forms of joint development revenue sharing and financial participation.*
- *Provide recommendations for strategies for negotiations with local operators for shared use of right-of-way and facilities.*
- *Provide criteria and input regarding the methods of soliciting a private partner.*
- *Identify the characteristics that a private partner should have.*

## **V. DELIVERABLES**

1. Contractor/Team shall produce the products and services necessary to meet the scope of work detailed above. Within thirty days of awarding the contract, the Authority and the Contractor/Team will agree upon specific deliverables and a timetable for their completion.
2. The Authority may exercise review and approval functions through its Chief Executive Officer throughout the project for the specific products and deliverables listed herein.
3. Contractor/Team shall provide progress reports to the Authority every 30 days. The progress reports will include major milestones, project schedules, progress by task to date, description of the progress, including identification of problems, proposed solutions and revised completion dates if necessary. The progress will also indicate, in percentage form for each task, the amount of work completed and the budget expended to date.
4. The Contractor/Team shall participate in meetings with appropriate agencies, groups, and consultants involved in this and other studies undertaken by the Authority to facilitate timely coordination of effort, identify and address issues of concern, and share information.
5. All models, data, products, charts, and other documents, hardcopy and electronic, prepared or assembled by Contractor/Team in connection with the service under this agreement shall be the property of the Authority, and copies and documentation shall be delivered to Authority within 15 working days upon completion of work or upon earlier termination of this agreement. Additionally the Contractor/Team is required to train Authority staff on the use of the financial model.

**The work plan, once approved by the Authority, shall be continuous throughout the life of the contract. Upon approval, the work plan may be altered or adjusted to respond to changing needs and to reflect various stages of project development.**

## **VI. PROPOSAL REQUIREMENTS**

### **A. Content**

Each technical proposal shall contain as a minimum:

1. Identification of Prospective Contractor/Team  
The proposal shall include the name of the firm submitting the proposal, its mailing address, telephone number, and the name of an individual to contact if further information is desired.
2. Management  
The prospective Contractor/Team shall designate by name the project manager to be employed. The selected Contractor/Team shall not cause the substitution of the project manager without prior approval of the Authority.
3. Personnel  
The prospective Contractor/Team shall describe the qualifications of all professional personnel to be employed, including a summary of similar work or studies performed, a resume for each professional, a statement indicating an estimate of how many hours each professional will be assigned to the contract and what tasks each professional will perform. The Contractor/Team shall not cause members of the project team to be substituted without prior approval of the Authority.
4. References  
The prospective Contractor/Team shall provide names, addresses, and telephone numbers for at least three clients for whom the prospective Contractor/Team had performed work similar to that proposed in this request. A summary statement for each assignment shall be provided. If applicable, provide names, address and telephone numbers of your last three (3) State contracts.
5. Subcontracts  
If subcontractors are to be used, the prospective Contractor/Team must submit a description of key personnel or firm and the work to be done by each subcontractor. The cost of the subcontract work is to be itemized in the cost proposal as described below. All subcontracts must be approved by the Authority, and no work shall be subcontracted without the prior approval of the Authority. In addition, the prospective Contractor/Team must indicate the cost of any subcontracts.
6. Methodology  
The prospective Contractor/Team shall describe the overall approach of the Financing Strategy, specific techniques that will be used, and specific administrative, operational

and management expertise that will be employed and the allocation of resources to various tasks as a percentage of the total budget.

7. Experience

The prospective Contractor/Team must have experience developing innovative financing programs for large infrastructure projects. The Contractor/Team must have knowledge of various funding alternatives needed to implement a project of this magnitude. The Contractor/Team must demonstrate their ability to develop dynamic financing models. The Contractor/Team must provide detailed descriptions and documented results of it previous work and experience.

8. Conflict of Interest

The prospective Contractor/Team shall disclose any financial, business, or other relationship with the California High-Speed Rail Authority, the High-Speed Rail Commission, the Business, Transportation and Housing Agency, or the California Transportation Commission that may have an impact upon the outcome of the contract. The prospective Contractor/Team shall also list current clients who may have a financial interest in the outcome of the contract. The selected Contractor/Team may be required to file a financial Disclosure Statement in accordance with the Authority's Conflict of Interest Code.

9. Schedule of Tasks

The proposal shall contain a detailed schedule identifying major tasks to be undertaken to conduct the work and timeframe for each task. The schedule shall specify the estimated hours to accomplish each task. The schedule shall be in accordance with the milestones listed in the Description of Work section.

10. Nondiscrimination

The prospective Contractor/Team must certify compliance with nondiscrimination requirements of the State pertaining to the development, implementation and maintenance of a nondiscrimination program. The prospective Contractor/Team's signature affixed to and dated on the cover letter shall constitute a certification under penalty of perjury under the laws of the State of California that the propose has, unless exempted, complied with the nondiscrimination program requirements of Government Code Section 12990 and Title 2, California Code of Regulation, Section 8103.

B. Cost Proposal

In addition to a technical proposal, the prospective Contractor/Team shall prepare a detailed cost proposal for the work to be performed. The Cost Proposal shall detail personnel to be utilized, their respective billing rates, and the hours required to complete the proposed scope of work, as well a cost breakdown by task. Additionally, the cost proposal shall itemize all other direct costs that will be charged to the Authority including travel charges that will be involved in the fulfillment of the proposed scope of work. Any direct costs that will exceed \$2,000 will require prior approval from the contract manager.



Cost proposals shall follow the format provided in Attachment A, and shall be submitted with the technical proposal. The cost proposal will be rated and thereby included as part of the evaluation of the Technical Proposal and Oral Interview see Attachments B and C.

The breakdown of subcontract costs shall follow the same format provided in Attachment A.

#### C. Signature

Technical and cost proposal shall be transmitted with a cover letter that must be signed by an official authorized to bind the proposer contractually and shall contain a statement to the effect that the proposal is a firm offer for a 90-day period. The letter accompanying the technical proposal shall also provide the following: Name, title, address, and telephone number of individuals with the authority to negotiate and contractually bind the company.

This cover letter constitutes certification by the prospective Contractor/Team, under penalty of perjury, that the prospective Contractor/Team complies with nondiscrimination requirements of the State as specified above. An unsigned proposal or one signed by an individual not authorized to bind the proposer will be rejected.

#### D. Questions

A bidders conference will not be held. Questions regarding this Request for Proposals must be submitted in writing via email, fax or post. Only those written questions received by 4:00PM on July 20, 2010 will be answered.

Written questions should include the individual's name, the name of the firm and address and must reference RFP No. HSR10-01. Questions should be sent to the following address:

Mailed to:  
California High-Speed Rail Authority  
Attention: Vickie Janek  
925 L Street, Suite 1425  
Sacramento, CA 95814  
(916) 324-1541  
(916) 322-0827 FAX  
vjanek@hsr.ca.gov

Written responses to all questions will be posted on the Authority's website for the benefit of all participants.

### VII. CONTRACTOR/TEAM SELECTION

#### A. Proposal Review

Each proposal will be reviewed to determine if it meets the proposal requirements contained in Section VI above. Failure to meet the requirements for the Request of Proposal will cause rejection of the proposal.

The Authority may reject any proposal if it is conditional, incomplete, or contains irregularities. The Authority may waive an immaterial deviation in a proposal. Waiver of an immaterial deviation shall in no way modify the Request for Proposal documents or excuse the proposer from full compliance with the contract requirements if the proposer is awarded the contract.

## B. Proposal Evaluation

An evaluation committee will evaluate those proposals that meet the proposal requirements. The technical evaluation will be based on the criteria shown on Attachment B. To qualify for an Oral Evaluation with the selection committee, the proposer must achieve a score of 85% or more.

Oral interviews will be separately evaluated based on criteria shown on Attachment C. The contract will be tentatively awarded to the proposer receiving the highest score from the committee at the Oral Interviews, pending approval by Authority and approval from the Department of General Services - Office of Legal Services.

The prospective Contractor/Team is advised that should this Request for Proposals result in award of a contract, the contract will not be in force until it is approved and fully executed by the State.

## VIII. CONTRACT PROVISIONS

### A. Contract Provisions

Provisions that may be applicable upon execution of this contract:

#### 1. Contractor/Team Name Change

An amendment is required to change the Contractor/Team's name as listed on this Agreement. Upon receipt of legal documentation of the name change, the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

#### 2. Recycling Certification

The Contractor/Team shall certify in writing under penalty of perjury, the minimum, if not the exact, percentage of recycled content, both post consumer waste and secondary waste as defined in the Public Contract Code, Sections 12161 and 12200, in material, goods, or supplies offered or products used in the performance of this Agreement, regardless of whether the product meets the required recycled product percentage as defined in Public Contract Code, Sections 12161 and 12200. Contractor/Team may certify that the product contains zero recycled content. (PCC 10233, 10308.5, 10354.)

#### 3. Governing Law

This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

4. Contractor/Team's Reports and/or Meetings

The Contractor/Team shall submit progress reports at least once a month to allow the Contract Manager to determine if the Contractor/Team is performing to expectations or is on schedule, to provide communication of interim findings and to afford occasions for airing difficulties or special problems encountered so that remedies can be developed. The Contractor/Team shall meet with the Contract Manager as needed to discuss progress on the contract.

Prior to completion of the contract, the Contractor/Team shall hold a final meeting with the Contract Manager to present findings, conclusions and recommendations and shall submit a comprehensive final report on the project.

5. Period of Performance

This contract shall begin on *September 15, 2010*, contingent upon approval by the State, and terminate on *June 30, 2013*.

6. Allowable Costs and Payments

The method of payment for this contract will be based on billing rates. The State will reimburse the Contractor/Team at the current billing rates, the billing rates shall include direct labor costs, employee benefits, overhead and profit. All other direct costs will be reimbursed based on actual cost.

Transportation and subsistence costs shall not exceed rates authorized to be paid State employees under current State Department of Personnel Administration rules.

Progress payments will be made monthly in arrears based on services provided and actual costs incurred. The State will **withhold 10%** of each progress payment. The retention amount will be paid to the Contractor/Team after the State has evaluated the Contractor/Team's performance and made a determination that all contract requirements have been satisfactorily fulfilled.

The Contractor/Team shall not commence performance of work or services until this contract has been approved by the State. No payment will be made prior to approval nor for any work performed prior to approval of this contract.

The Contractor/Team will be reimbursed as promptly as fiscal procedures will permit upon receipt by the Contract Manager of itemized invoices in triplicate. Invoices shall reference this contract number and project title and shall be mailed to the Contract Manager at the following address:

California High-Speed Rail Authority  
Attention *Carrie Pourvahidi*  
925 L Street, Suite 1425  
Sacramento, CA 95814

Invoices shall follow the format stipulated in the bid/cost proposal. The invoice shall breakout all payments to subcontractors identified in the contract during the invoice

period. If none were made, the invoice shall state "No work was performed by subcontractors during this period".

7. Termination

The State reserves the right to terminate this contract upon thirty calendar (30) days written notice to the Contractor/Team.

8. Funding Requirements

It is mutually understood between the parties that this contract may have been written before ascertaining the availability of congressional or legislative appropriation of funds, for the mutual benefit of both parties in order to avoid program and fiscal delays that would occur if the contract were executed after that determination was made.

This contract is valid and enforceable only if sufficient funds are made available to the State by the United States Government or the California State Legislature for the purpose of this program. In addition, this contract is subject to any additional restrictions, limitations, conditions, or any statute enacted by the Congress or the State Legislature that may affect the provisions, terms or funding of this contract in any manner.

It is mutually agreed that if the Congress or the State Legislature does not appropriate sufficient funds for the program, this contract shall be amended to reflect any reduction in funds.

The State has the option to void the contract under the 30-day cancellation clause or to amend the contract to reflect any reduction of funds.

9. Change in Terms

This contract may be amended or modified only by mutual written agreement of the parties.

There shall be no change in the Project Manager or members of the project team without prior written approval by the Contract Manager.

10. Nondiscrimination

During the performance of this contract, Contractor/Team and its subcontractors shall not unlawfully discriminate, harass or allow any harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor/Teams and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor/Team and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this

contract by reference and made a part hereof as if set forth in full. Contractor/Team and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Contractor/Team shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this contract.

10. MBE/WBE Participation (No Goals)

The State has established no goals for the participation of MBE/WBE for this contract (no federal funding is expected for this contract). However, California has a diverse mixture of cultures and interests; therefore, the proposer needs to be sensitive towards reaching and including these populations when developing their teams.

11. DVBE Participation (3%)

This contractor is subject to the participation goals for disabled veteran business enterprises (DVBE) as set forth in PCC Sections 10115, et seq. The participation goal is 3 percent for DVBE. Periodically updated DVBE resource information is available on the OSBCR internet home page: <http://www.dgs.ca.gov/osmb>. DVBE goals achieved are expressed as a total participation dollar amount claimed by a DVBE, and are identified on Form STD. 840 (Attachment F) attached to the Contractor's bid/cost proposal.

12. Maintenance of Records

The contracting parties shall be subject to the examination and audit of the State Auditor for a period of three (3) years after final payment under the contract in accordance with Government Code Section 8546.7. The examination and audit shall be confined to those matters connected with the performance of the contract, including, but not limited to, the costs of administering the contract.

13. Disputes

The parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute persists, Contractor/Team shall submit to the State's project manager a written demand for a final decision regarding the disposition of any dispute between the parties arising under, related to or involving this contract, unless the State, on its own initiative, has already rendered such a final decision.

Contractor/Team's written demand shall be fully supported by factual information, and if such demand involves a cost adjustment to the contract, Contractor/Team shall include with the written demand a written statement signed by a senior company official indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the contract adjustment for which Contractor/Team believes the State is liable. The Project Manager will arrange for the assignment of a State official not having a direct role in the administration of this Agreement to hear and decide the dispute. The Contractor/Team may present documentary or other evidence and arguments in support of its position. The State's representative shall make a decision in writing within 30 days of the Contractor/Team's notice. Such decision shall be final and conclusive unless shown to be arbitrary, capricious, or grossly erroneous. The decision may encompass facts, interpretations of the contract, and determinations or applications of law.

Pending final resolution of any dispute arising under, related to or involving this contract, Contractor/Team agrees to diligently proceed with the performance of this contract, including the delivery of goods or providing of services. Contractor/Team's failure to diligently proceed shall be considered a material breach of this contract.

14. Subcontracting

The Contractor/Team shall perform the work contemplated with resources available within its own organization and no portion of the work shall be contracted without written authorization by the State's Contract Manager, except that which is expressly identified in the Contractor/Team's cost/bid proposal. Any subcontract in excess of \$25,000, entered into as a result of this contract, shall contain all the provisions stipulated in this contract to be applicable to subcontractors. Any substitution of subcontractors must be approved in writing by the State's Contract Manager in advance of assigning work to a substitute subcontractor.

15. National Labor Relations Board Certification

In accordance with Public Contract Code Section 10296, the Contractor/Team hereby states under penalty of perjury that no more than one final unappealable finding of contempt of court by a Federal court has been issued against the Contractor/Team within the immediately preceding two-year period because of the Contractor/Team's failure to comply with an order of a Federal court that orders the Contractor/Team to comply with an order of the National Labor Relations Board.

16. Evaluation of Contractor/Team

The Contractor/Team's performance, as required by this contract, will be evaluated and if negative findings are made, will be reported to the Department of General Services Legal Office.

17. Drug-Free Workplace Certification

By signing this contract, the Contractor/Team hereby certifies under penalty of perjury under the laws of the State of California that the Contractor/Team will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code section 8350 et seq.) and will provide a drug-free workplace by doing all of the following:

- A. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a)
- B. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b), to inform employees about all of the following:
  - the dangers of drug abuse in the workplace,
  - the person's or organization's policy of maintaining a drug-free workplace,

- any available counseling, rehabilitation and employee assistance programs, and
- penalties that may be imposed upon employees for drug abuse violations.

C. Provide as required by Government Code Section 8355(c) that every employee who works on the proposed contract or grant:

- will receive a copy of the company's drug-free policy statement and
- will agree to abide by the terms of the company's statement as a condition of employment on the contract or grant.

Failure to comply with these requirements may result in suspension of payments under the contract or termination of the contract or both and the Contractor/Team may be ineligible for award of any future state contracts if the department determines that any of the following has occurred: 1) the contract has made a false certification or, 2) violates the certification by failing to carry out the requirements as noted above.

#### 18. Conflict of Interest

The following laws apply to entities doing business with the State of California:

##### A. Current State Employees (PCC 10410):

- No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- No officer or employee shall contract on his or her own behalf as an independent Contractor/Team with any state agency to provide goods or services.

If Contractor/Team violates any provision of above paragraphs, such action by Contractor/Team shall render this Agreement void (PCC 10420).

Members of boards or commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem (PCC 10430(e)).

##### B. Former State Employees (GC 87406)

- B. Government Code 87406 (d)(1) prohibits a former State officer or employee from entering into a contact with any State agency if,
  - He or she was a designated employee by the same State agency in a position in the same subject area(s) as the proposed contract within the 12 month period prior to his or her separation.

2. Representation includes any formal or informal appearance, or oral or written communications to the Authority or to any of its officers or employees. This would include participation at presentations or interviews, attendance at scoping meetings, participation in negotiations and direct involvement in cost proposal and audit activities. See Government Code section 87406 subparagraph(d) subpart(1).
3. The categories of former Authority employees to whom the prohibition applies are any one or more of the following:
  - A “Designated Employee” as defined in the Government Code Section 82019, to include any officer or employee whose position with the Authority:
    - i. Was exempt for the State Civil Service System.
    - ii. Involved the employee in the functions of:
      - Negotiating or signing any competitive awarded contract
      - Decision making in conjunction with the competitive award process
      - Decision making on Emergency Force Account contracts awarded under Public Contract Code Sections 10122.
4. Former Authority employees, included former retired annuitants, proposed in the submittal who meet the criteria above will not be allowed to participate as a proposed team member for this contract.
5. Violation by consultant(s) of any provisions found in the paragraphs above, shall render every contract or other transaction entered into void unless the violation is technical and non-substantive.

Information regarding conflict of interest as stated in above reference Government Codes may be viewed by visiting the web site: <http://www.leginfo.ca.gov/calaw.html>.

#### 19. Labor Code / Workers Compensation

Contractor/Team needs to be aware of provisions that require every employer to be insured against liability for workers' compensation or to undertake self insurance in accordance with the provisions and Contractor/Team affirms to comply with such provisions before commencing the performance of the work of this Agreement (Labor Code Section 3700)

#### 20. Force Majeure

Except for defaults of subcontractors, neither party shall be responsible for delays or failures in performance resulting from acts beyond the control of the offending party. Such acts shall include but shall not be limited to acts of God, fire, flood, earthquake, other natural disasters, nuclear accident, strike, lockout, riot, freight embargo, public regulating utility or governmental statutes or regulations superimposed after the fact. If a delay or failure to perform by the Contractor/Team arises out of a default of its subcontractor, and if such default arises out of causes beyond the control of both the



Contractor/Team and subcontractor, and without the fault or negligence of either of them, the Contractor/Team shall not be liable for damages of such delay or failure, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor/Team to meet the required performance schedule.

#### 21. Taxes

The State of California is exempt from federal excise taxes and no payment shall be made for any personal property taxes levied on the Contractor/Team or on any taxes levied on employee wages. The State will only pay for any state or local sales or use taxes on the services rendered to State pursuant to the contract.

#### B. Time Limits

The Contractor/Team shall start work on *September 15, 2010*, contingent upon approval of the contract by the State and notification to proceed by the Contract Manager. All aspects of the work provided for in the contract will be completed by *June 30, 2013*.

#### C. Contract Administration

The Contract Manager for this contract is:

Carrie Pourvahidi  
California High-Speed Rail Authority  
925 L Street, Suite 1425  
Sacramento, CA 95814  
Phone: (916) 324-1541

### IX. GENERAL INFORMATION

#### A. Proposal Submittal

Responses to this Request for Proposals shall be submitted with 6 copies of the Technical Proposal and Cost Proposal. Proposals must be submitted by no later than 3:00 PM, August 2, 2010, addressed as follows:

##### MAILED TO:

**California High-Speed Rail Authority**  
**Attention: Vickie Janek**  
**925 L Street, Suite 1425**  
**Sacramento, CA 95814**

##### HAND-DELIVERED TO:

**California High-Speed Rail Authority**  
**Attention: Vickie Janek**  
**925 L Street, Suite 1425**  
**Sacramento, CA 95814**

The following information must be placed on the lower left corner of the submittal shipping package:

RFP # HSR10-01

*California High-Speed Rail Financial Consulting Services*

Firm: \_\_\_\_\_

DO NOT OPEN

**B. Late Submittals**

A proposal is late if received at any time after *3:00 PM on August 2, 2010*. Proposals received after the specified time will not be considered and will be returned to the proposer.

**C. Modification or Withdrawal of Proposals**

Any proposal received may be withdrawn or modified prior to the proposal submittal date by written request to the Authority by the prime consultant.

**D. Schedule**

The anticipated schedule of activities related to this Request for Proposals is as follows:

**Key RFP Dates:**

7/8/10	Draft Invitation for RFP published on Authority website
7/8/10	Authority board ratifies and authorizes the RFP
7/9/10	Final RFP advertised and released on the State Contract Register and issued to prospective respondents.
7/20/10	Written Question Submittal due by 4:00 PM
08/2/10	Proposal's due to Authority office by 3:00 PM
Week of 8/16	Oral interviews in Sacramento, CA
08/25/10	Participants notified of the results of the selection process
9/2/10	The Authority's board will review staff's recommendation
9/2/10	The applicant must be available to make a presentation to the Authority's Board.

**E. Property Rights**

Proposals received within the prescribed deadline become the property of the State and all rights to the contents therein become those of the State. All material developed and produced for the Authority under this contract shall belong exclusively to the Authority. If the Contractor/Team should lose its ability to service the Contract with the Authority, the Authority shall retain the right to use said materials without further compensation to the Contractor.

**F. Debriefings**

Written or oral proposal evaluation debriefings will not be given to unsuccessful proposers. However, all proposals and all evaluation and scoring sheets that are retained as a permanent State record shall be made available for public inspection.

**G. Confidentiality**

Prior to award of the contract, all proposals will be designated confidential. After award of the contract all proposals will become public record. Contracts are considered awarded after they are fully executed by both parties and approved by the Department of General Services. Any language purporting to render all or portions of the proposals confidential will be regarded as non effective and will be disregarded.

**H. Amendments to Request for Proposals**

The Authority reserves the right to amend the RFP Notice by addendum prior to the final date of proposal submission.

I. Non-Commitment of State

This RFP does not commit the Authority to award a contract, to pay any costs incurred in the preparation of a proposal to this request, or to procure or contract for services or supplies. The State reserves the right to accept or reject any or all proposals received as a result of this request, to negotiate with any qualified firm, or to modify or cancel in part or in its entirety the Request for Proposals if it is in the best interests of the Authority to do so.

J. Public Domain

All products used or developed in the execution of any contract resulting from this request will remain in the public domain at the completion of the contract.

K. Small Business Preference

NOTICE TO ALL PROPOSERS: Section 14835, et seq. of the California Government Code requires that a five percent preference be given to proposers who qualify as a small business. The rules and regulations of this law, including the definition of a small business for the delivery of services, are contained in Title 2, California Administrative Code, Section 1896, et seq. A copy of the regulations is available upon request. To claim the small business preference, which may not exceed \$50,000 for any bid, your firm must have its principal place of business located in California and be verified by the State Office of Small and Minority Business. Questions regarding the preference approval should be directed to that office at (916) 322-7122.

Any proposer who wishes to claim the small business preference must complete the Small Business Preference Request, Form ADM 0384 included with this Request for Proposals as Attachment E and provide a copy of the OSMB certification approval letter to be eligible for such preference. The form and the copy of the certification approval letter must be included with the Cost Proposal.

Small business bidders shall be granted a preference consisting of five percent of the price component of the highest scored proposal submitted by another bidder who is not certified as a small business.

**ATTACHMENT A  
 COST PROPOSAL FORMAT**

**PART I:**

**TOTAL LABOR COSTS FOR THE PROJECT:**

<u>EMPLOYEE</u>	<u>CLASSIFICATION</u>	<u>PROJECTED HOURS</u>	x	<u>BILLING RATE</u>	=	<u>TOTAL</u>
		_____		_____		_____
		_____		_____		_____
		_____		_____		_____
Subtotal						_____

**TOTAL OTHER DIRECT COSTS FOR THE PROJECT:**

Itemize the anticipated quantities and costs.

Subtotal \_\_\_\_\_

**TOTAL COST:** \_\_\_\_\_

**PART II:**

**LABOR COSTS BY TASK:**

<u>EMPLOYEE</u>	<u>CLASSIFICATION</u>	<u>PROJECTED HOURS</u>	x	<u>BILLING RATE</u>	=	<u>TOTAL</u>
		_____		_____		_____
		_____		_____		_____
		_____		_____		_____
Subtotal						_____

**OTHER DIRECT COSTS BY TASK:**

Itemize the anticipated quantities and costs.

Subtotal \_\_\_\_\_

**TOTAL COST:** \_\_\_\_\_

**ATTACHMENT B****CRITERIA FOR EVALUATION OF TECHNICAL PROPOSALS<sup>1</sup>**

To qualify for an Oral Evaluation with the selection committee, the proposer must achieve a score of 85% or more.

	<b><u>Maximum Score</u></b>	<b><u>Actual Score</u></b>
<b>1. GRASP OF PROJECT REQUIREMENTS</b> Has the proposer demonstrated a thorough knowledge of the project in its current state of development and what steps are required to develop a robust financial strategy.	<b>20</b>	
<b>2. ORGANIZATION AND MANAGEMENT PLAN</b> Does the proposed project organization present a clear and logical framework. Is the management approach complementary and responsive to the RFP requirements? Are all needed positions and areas of expertise covered? If proposer is a multi-firm team, are the firms well integrated; do they have prior experience working together? Does the staffing plan convey the proper level of response for the work at hand? Does it demonstrate a high level of commitment and resource availability?	<b>15</b>	
<b>3. KEY PERSONNEL AND ROLES</b> Are the personal qualifications and professional skills of the project manager, senior professionals and key discipline nominees appropriate for the roles assigned? Does the project manager have sufficient authority within his organization to effectively lead and manage the project?	<b>10</b>	
<b>4. CONTRACTOR'S APPROACH TO THE PROGRAM</b> Is there a logical course of action to meet objectives? Did the proposer demonstrate a creative and innovative approach to meet the program objectives. Does the proposal illustrate sensitivity to federal, state, regional, local and general public issues.	<b>25</b>	
<b>4. COST (See Attachment D for cost criteria calculation)</b>	<b>30</b>	

<sup>1</sup>See Attachment D for detailed criteria for the award of points.

## ATTACHMENT C

### CRITERIA FOR EVALUATION OF ORAL INTERVIEWS<sup>1</sup>

	<b><u>Maximum Score</u></b>	<b><u>Actual Score</u></b>
<b>1. Technical Proposal (carry over)<sup>2</sup></b>	<b>20</b>	
<b>2. PRESENTATION AND TEAM COORDINATION</b> Quality and appropriateness of the presentation; team structure; logic of the chosen speakers relative to project challenges; project manager control over the team	<b>15</b>	
<b>3. PROJECT MANAGER and TEAM PARTICIPATION</b> Quality of presentation and responsiveness to questions; understanding of the financing needs and challenges. Do members of the team work well together and give credibility to having worked together on similar projects? Does the team project cohesiveness in the way individuals relate to each other? Perceived level of involvement with proposal structure, content and presentation plan	<b>15</b>	
<b>4. COMPREHENSIVE VISION</b> Does the team demonstrate a clear vision of the public and private financing mechanisms? Is there an understanding of the complexity of the financing of megaprojects? Does their presentation and plan convey a sensitivity to the state and federal regulatory environment?	<b>15</b>	
<b>5. UNDERSTANDING OF PROJECT</b> Does the team convey an understanding of the critical project success factors? Are they able to provide evidence of prior project experience with challenges of this magnitude and complexity?	<b>05</b>	
<b>6. COST</b> (See Attachment D for cost criteria calculation)	<b>30</b>	_____
<b>Total</b>	<b>100</b>	_____

<sup>1</sup>See Attachment D for detailed criteria for the award of points.

<sup>2</sup>Technical Proposal carry over is calculated as follows:

(Total score on Technical Proposal/100) x 25 possible points = Carry Over Points

**ATTACHMENT D****CRITERIA FOR EVALUATION OF COST PROPOSALS****Cost Proposal and Budget Justification - (30 points for Technical/30 points for +carryover for Oral)**

A score of up to 30 points may be earned based on the extent that the proposer's cost proposal and budget justification narrative is reasonable, consistent with the Project Work Plan and appropriately balances the commission, the per hour "fully loaded" fee charged, value of services offered, and pro bono services.

**Reviewers will consider the following:**

1. Extent to which the allocations of cost for each of the required work plan components is appropriately spread in the budget and is adequately justified in the budget narrative.

**Weight: 0.40**

2. The extent to which costs are reasonable and appropriate for the proposed scope of services and the value of the skills offered.

**Weight: 0.30**

3. Extent to which the per hour "fully loaded" fees charged are appropriate and reflective of industry standards.

**Weight: 0.30**

**CRITERIA FOR AWARDING POINTS FOR THE TECHNICAL PROPOSALS AND ORAL INTERVIEWS:**

For each category, points will be awarded based upon the following scale:

- |                         |   |                |
|-------------------------|---|----------------|
| 1. Exceeds requirements | = | 100% of points |
| 2. Meets requirements   | = | 85% of points  |
| 3. Slightly deficient   | = | 60% of points  |
| 4. Deficient            | = | 40% of points  |
| 5. Very deficient       | = | 20% of points  |

**ATTACHMENT E**

**SMALL BUSINESS PREFERENCE FORM**

**(Leave blank, if not applicable)**

I wish to claim Small Business preference. I am registered with the State of California, Department of General Services, Office of Small and Minority Business.

Small business certification **letter** provided by State of California, Department of General Services, Office of Small and Minority Business **is attached**.

\_\_\_\_\_  
Small Business Number (not stamp number)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date